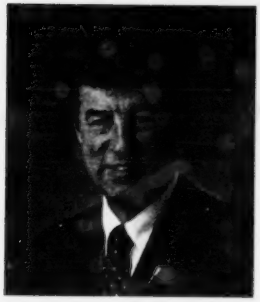
08-09

FINANCIAL STATEMENTS

MINISTRY OF EDUCATION

School Division Tax Loss
Compensation Fund

Letter of Transmittal



The Honourable Dr. Gordon L. Barnhart, S.O.M., Ph.D.
Lieutenant Governor of Saskatchewan

May it Please Your Honour:

I respectfully submit the Financial Statements of the School Division Tax Loss Compensation Fund for the fiscal year ending March 31, 2009.

Ken Krawetz
Deputy Premier
Minister of Education

The Honourable Ken Krawetz
Deputy Premier
Minister of Education

I have the honour of submitting the Financial Statements of the School Division Tax Loss Compensation Fund for the fiscal year ending March 31, 2009.

Audrey Roadhouse
Deputy Minister of Education

Provincial Auditor Saskatchewan

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SASKATCHEWAN

AUDITOR'S REPORT

To: The Members of the Legislative Assembly of Saskatchewan

I have audited the statement of financial position of the School Division Tax Loss Compensation Fund as at March 31, 2009 and the statement of operations and net assets for the year then ended. The School Division Tax Loss Compensation Fund's management is responsible for preparing these financial statements for Treasury Board's approval. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In my opinion, these financial statements present fairly, in all material respects, the financial position of the School Division Tax Loss Compensation Fund as at March 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Regina, Saskatchewan
May 25, 2009

Fred Wendel, CMA, CA
Provincial Auditor

School Division Tax Loss Compensation Fund
Statement of Financial Position
As At March 31

ASSETS

	2009	2008
Due from General Revenue Fund (Note 4)	$ 6,974,404	6,273,526
Accounts receivable	641,476	855,248
Interest receivable	18,266	56,015
	$ 7,634,146	$ 7,184,789

LIABILITIES and NET ASSETS

Liabilities		
Accounts payable	$ 787,279	$ 754,318
Net assets (Statement 2)	6,846,867	6,430,471
	$ 7,634,146	$ 7,184,789

(See accompanying notes to the financial statements)

Statement 2

School Division Tax Loss Compensation Fund
Statement of Operations and Net Assets
For the Year Ended March 31

	2009	2008
Revenue		
Contributions	$ 1,128,875	$ 935,164
Interest income	134,177	257,834
	1,263,052	1,192,998
Expenses		
Compensation to school divisions (Note 7)	846,656	701,373
Surplus for the year	416,396	491,625
Net assets, beginning of year	6,430,471	5,938,846
Net assets, end of year - to Statement 1	$ 6,846,867	$ 6,430,471

(See accompanying notes to the financial statements)

School Division Tax Loss Compensation Fund
Notes to Financial Statements
March 31, 2009

1. Purpose and Creation of the Fund

The School Division Tax Loss Compensation Fund (Fund) was created by an amendment to *The Education Act* through *The Treaty Land Entitlement Implementation Act*. The amendment came into force on June 22, 1993. Order in Council #840/94 established regulations to administer the Fund on December 14, 1994.

The Fund is administered by the Ministry of Education on behalf of school boards. The purpose of the Fund is to provide tax loss compensation to school divisions that lose tax revenue as a result of lands within that school division being set apart as an Indian reserve. The Fund receives money from the provincial (Ministry of First Nations and Métis Relations) and federal (Department of Indian and Northern Affairs Canada) governments as part of the Treaty Land Entitlement Framework Agreement. Payments are made to affected school divisions according to the formula stated in the regulations.

2. Significant Accounting Policies

These financial statements are prepared in accordance with Canadian generally accepted accounting principles.

Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses for the reporting period. Due to the inherent uncertainty involved in such assessments, actual results may differ from those estimates.

3. Related Party Transactions

The Fund has not been charged with any administrative costs and no provision for such costs is reflected in these statements. These costs are borne by the Ministry of Education. Included in revenue is $338,662 (2008-$280,549) from the Ministry of First Nations and Métis Relations, of which $115,189 (2008-$256,575) was receivable at March 31, 2009. Other related party transactions are disclosed separately in these financial statements.

4. Due from the General Revenue Fund

The monies of the Fund are deposited in the General Revenue Fund. The Fund's interest is calculated and paid from the General Revenue Fund on a quarterly basis using the Government's thirty-day borrowing rate and the Fund's average daily account balance. The Government's average thirty-day borrowing rate for the year ended March 31, 2009 is 1.95% (2008-4.08%).

5. Financial Instruments

The Fund's financial instruments include due from General Revenue Fund, accounts receivable, interest receivable and accounts payable. Due to the immediate or short-term nature, the fair value of these financial instruments approximates their carrying values.

6. Cash Flow Statement

A cash flow statement has not been presented since the cash flow information is readily apparent from the other financial statements.

7. Compensation to School Divisions

The following lists the distributions made to school divisions.

Organization	2009	2008
Chinook SD #211	$ 62,837	$ -
Good Spirit SD #204	137,111	181,620
Horizon SD #205	48,411	77,408
Living Sky SD #202	82,814	21,381
Northwest SD #203	51,815	114,592
Prairie Valley SD #208	463,668	254,553
South East Cornerstone SD #209	-	51,819
Total	$ 846,656	$ 701,373